

## SETTLEMENT AGREEMENT

This Agreement is made by and between Tarleton State University (Tarleton) of Stephenville, Texas (OPE ID # 00363100) and the United States Department of Education (Department), Federal Student Aid (FSA), acting through its Director, Administrative Actions and Appeals Service Group, and is effective the latest date opposite the signatures below.

A. On October 6, 2009, the Department sent a letter to Tarleton informing the institution that the Department intended to impose a fine of \$137,500 (hereafter “the proposed fine action”) based on the Department’s findings that Tarleton had failed to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) included in §485(f) of the Higher Education Act of 1965, as amended. Under the Clery Act, institutions of higher education are required to report accurate and complete campus crime statistics to the Department and to the institution’s students, their parents and the public.

B. The proposed fine action was based on the results of a Final Program Review Determination (FPRD) issued by FSA and dated June 10, 2009. The FPRD concluded that Tarleton had violated the Clery Act by failing to accurately report crime statistics in its 2006 annual security report that was provided to its students and employees and to the Department.

C. In accordance with the Department’s regulations, Tarleton appealed the proposed fine action and requested a hearing on October 27, 2009. The appeal was assigned to the Department’s Office of Hearings and Appeals and docketed as In the Matter of Tarleton State University, Docket No. 09-56-SF.

D. On September 21, 2010, the hearing official issued an initial decision directing Tarleton to pay a fine of \$27,500 for its violations of the Clery Act. FSA appealed that decision to the Secretary of Education.

E. In a decision dated June 1, 2012, the Secretary of Education issued a decision on the appeal reversing the hearing official's reduction of the proposed fine. The Secretary found that a fine of at least \$110,000 should be imposed and remanded the case back to the hearing official for a redetermination of an additional appropriate fine amount.

F. Tarleton and the Department have now agreed to resolve the proposed fine action without any further administrative procedures.

G. Nothing in this Agreement constitutes an admission of liability or wrongdoing by Tarleton.

In consideration of the mutual covenants and conditions contained in this Agreement, and intending to be legally bound, the parties agree as follows:

1. Tarleton agrees to pay \$123,500 to the Department to resolve the proposed fine action. Tarleton will present a check for \$123,500 made payable to the U.S. Department of Education with duplicate originals of this Agreement signed by an authorized official of Tarleton.

2. Tarleton hereby withdraws its appeal of the proposed fine action. The Department and Tarleton agree that the proposed fine action is fully resolved. The parties agree to file a motion to dismiss the pending appeal upon full execution of this Agreement and the Department's receipt of Tarleton's payment under this Agreement.

3. The Department agrees not to initiate any further administrative action against Tarleton based on the findings included in the FPRD issued on June 10, 2009.

4. Tarleton agrees not to challenge FSA's proposed fine action in any other proceeding.


5. The Department acknowledges that the FPRD concluded that Tarleton has improved its Clery Act compliance. Tarleton agrees to continue to take appropriate action to fully comply with the Clery Act and to ensure that all future Clery Act reports are accurate and complete.

6. This Agreement does not waive, compromise, restrict, or settle:

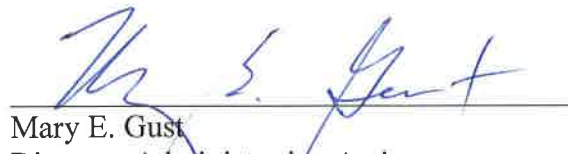
- a. Any past, present, or future violation of the criminal or civil fraud laws of the United States.
- b. Any presently pending or future action taken by the United States under the criminal laws or civil fraud laws of the United States. The Department is not aware of any such actions pending against Tarleton based on the issues addressed in the FPRD and this Settlement Agreement.

Tarleton and the Department each warrant that the undersigned representative is authorized to sign this Agreement on its behalf.

Dated: July 17, 2012

  
F. Dominic Dottavio, Ph.D.  
President  
Tarleton State University

Dated: July 25, 2012

  
Mary E. Gust  
Director, Administrative Actions  
and Appeals Service Group  
Federal Student Aid/Program Compliance  
for the United States Department of Education